



U.S. Department of Justice

United States Attorney
Western District of Texas

JOHNNY SUTTON
United States Attorney

601 NW Loop 410 STE 600
San Antonio, Texas 78216

(210)384-7400
FAX: (210)384-7474

FOR IMMEDIATE RELEASE

October 28, 2002

On the Web at: WWW.USDOJ.GOV/USAO/TXW/INDEX.HTML

Contact: Public Affairs Officer Daryl Fields
San Antonio (210) 384-7440

RONALD CLIFTON SENTENCED TO 10 YEARS IN FEDERAL PRISON

(MIDLAND, TEXAS) This afternoon, United States District Judge Royal Furgeson sentenced former Odessa, Texas, stockbroker **RONALD CLIFTON**, 47, to ten years in federal prison for defrauding investors of over \$6.1 million by offering fictitious investment opportunities and operating a ponzi scheme. In addition to the prison term, Judge Furgeson ordered Clifton to pay \$6,176,000 restitution. At the end of the hearing, Judge Furgeson remanded Clifton to the custody of the United States Marshals Service to begin his sentence.

In June, Clifton pled guilty to one count of conspiracy to engage in a scheme to commit securities, mail, and wire fraud, and one count of securities fraud. The scheme involved the sale of fictitious investment opportunities offered by Clifton through Ron Clifton Companies, Inc. and Ron Clifton Investment Associates, Inc. Clifton offered for sale and sold to different investors the fictitious investment opportunities described as corporate bonds, zero coupon bonds, corporate notes, mutual funds, certificates of deposit, and automatic teller machines. Clifton convinced prospective investors that the investment opportunities were profitable, legitimate and guaranteed. Clifton also convinced investors that there was little risk of losing their money in the investment opportunities, due the nature and structure of the investment and because of Clifton's skillful abilities.

Clifton misrepresented material facts and/or failed to disclose material facts to prospective investors, including: (i) the true structure of the investment opportunities, (ii) that no investors' fund had been invested, (iii) that Clifton was operating a ponzi scheme, and (iv) that investor funds had been utilized for purposes unrelated to the investment opportunities.

The case was investigated through the cooperative efforts of the Ector County District Attorney's Office; Ector County Sheriff's Office; the Texas State Securities Board; and the Federal Bureau of Investigation in Midland. The case was prosecuted by Assistant United States Attorney Dan Mills.

#####